

High School District

COMMITTED TO EXCELLENCE
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SAN DIEGO
COUNTY GRAND JURY

• GOVERNING BOARD MEMBERS

RICHARD HOY
JIM KELLY
PRISCILLA SCHREIBER
ROBERT SHIELD
JIM STIERINGER

• SUPERINTENDENT

RALF SWENSON

August 5, 2013
Refer to: RS2014-05

Honorable Robert J. Trentacosta
Presiding Judge of the San Diego Superior Court
220 West Broadway
San Diego, CA 92101

**Re: San Diego County Grand Jury 2012/2013 Report
"School District Dilemma—Bonds or Bondage?"**

Dear Judge Trentacosta:

The Grossmont Union High School district has reviewed the Facts, Findings and Recommendations in "School District Dilemma—Bonds or Bondage?" from the San Diego County Grand Jury 2012/2013 Final Report.

Please see our responses to each recommendation below.

Recommendation 13-79:

"Structure future loans to offer more flexibility by allowing a variety of financing options to include:

- Limit the maturity of a bond to no more than 25 years
- Early prepayment of bonds
- A callable feature in all debt issuances
- No interest rates greater than 8%
- A debt ratio not to exceed 4 to 1
- Using the Education Code rather than Government Code."

District Response:

At the time of this response, AB 182 is going through the legislative process and contains many of the items specified in the Grand Jury report. The District is carefully monitoring the progress of AB 182 and will fully conform to its provisions, as well as any and all other statutory requirements, for all future bond sales.

Recommendation 13-80:

"Hold public meetings to discuss the financial impact on the school district for all future bond proposals. The discussion should include:

- The bond amount
- Interest rate
- Terms
- Cost to homeowners in increased property taxes
- Total repayment amount
- What the new issue may do to future bond requirements."

District Response:

This recommendation is reasonable and is consistent with current District practice. In addition, the District is carefully monitoring the progress of AB 182 and will fully conform to its provisions, as well as any and all other statutory requirements, for all future bond sales.

Recommendation 13-81:

"For all future bond proposals send public notices to all district residents to ensure that the community has adequate notice of school board meetings where bond proposals will be discussed. Meeting notices must be posted in several public locations (e.g., school bulletin boards, school websites, school offices, classrooms and district offices), as defined by the Brown Act."

District Response:

This recommendation will not be implemented in part because it is not warranted and not reasonable. The cost to send public notices to all district residents of board meetings where bond proposals will be discussed is an additional expense, taking resources from the instructional program that is unwarranted.

The District does fully comply with the Brown Act which already defines public notice requirements for all school board meetings including when bond proposals are being discussed. Meeting notices are publically posted in the following locations:

- On the District website: <http://www.guhsd.net/index.php/governing-board/agendas>
- In the District Office Lobby, located at 1100 Murray Drive, El Cajon, CA 92020
- At each school site and District facility
- At the public libraries within the boundaries of the Grossmont Union High School District
- At each elementary school district that feeds into the Grossmont Union High School District
- Copies are available upon request via U.S. mail, e-mail or in person

Recommendation 13-82:

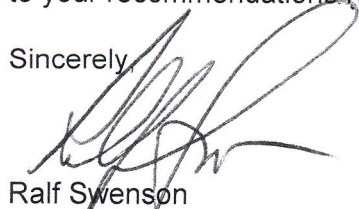
"For all future bond proposals encourage the PTA or similar organizations to educate their membership in school board policies and procedures. Suggested featured speakers could be school or financial experts who can answer questions and share relevant bond information."

District Response:

The Grossmont Union High School District regularly encourages its various constituency groups to be informed and involved in decision making, including that occurring at public Board meetings, and provides educational opportunities for them on a variety of issues. The District will continue to do so in the future. In particular, the District's PTSA has a seat on our Citizens' Bond Oversight Committee, which is charged with reviewing all aspects of the District's bond programs, including the sale and issuance of bonds.

On behalf of the Grossmont Union High School District, thank you for the opportunity to respond to your recommendations regarding the District bond financing program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ralf Swenson', is written over the word 'Sincerely,'.

Ralf Swenson
Superintendent
Grossmont Union High School District

cc: Laura Nicks, Secretary, San Diego County Grand Jury
Lora Duzyk, Assistant Superintendent, Business Services, SDCOE